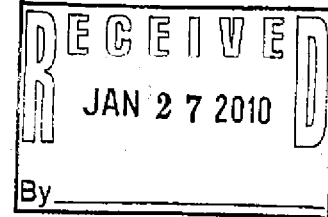


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1926 N. Old Ranch Road  
Tucson AZ  
85745-1834

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Tel: (520) 207-1071

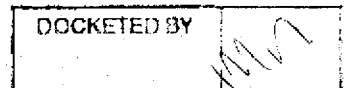
ARIZONA CORPORATION COMMISSION  
SECRET CONTROL 25 January 2010

Paul Newman  
Arizona Corporation Commission  
Commissioners Wing  
1200 W. Washington -- 2<sup>nd</sup> Floor  
Phoenix, Arizona 85007

Arizona Corporation Commission  
**DOCKETED**

JAN 29 2010

**Re: Tucson Electric Power Net Metering vs. Solar Panel Contract**



Dear Mr. Newman:

I feel that the Arizona Corporation Commission (ACC) may be responsible for a problem we are having with the Tucson Electric Power (TEP) contract regarding our house mounted solar panels.

In December we received a letter from TEP stating that they were changing their Net Metering program. As of the January 2010, they were going to "zero" our accumulated excess of electricity (at that time 1,502 KWH) that we had generated with our solar panels. After that time we would be zeroed each subsequent October. We were given an option of being credited for our excess at a rate to \$0.0232 per KWH. After that would have to pay at a rate of \$0.072 per KWH whenever we consumed for than produced during the set calendar period. In a phone call with TEP we were told that this new net metering program was done as a mandate from the ACC.

Section 4 of the above mentioned contract states in part: "Customer hereby assigns to Company all of its rights to all electrical output of the Customer System and all associate environmental credits, specifically including those created under the Arizona Corporation Commission's Environmental Portfolio Standard Program (the "EPS"), which may result from the installation and use of the Customer System. Company will *thereafter return any and all* such electric output to the Customer at *no cost* to Customer." (Emphases in italics are mine.)

It appears clear to me that the first time we are billed for any returned electricity before our 1,502 KWH is entirely consumed that TEP is in breach of the above quoted section of this contract. As TEP is also deducting our monthly service charges from our credit they will be billing us long before our excess is consumed.

I have also found through calls to TEP and the installer of our solar panels that TEP was going to change to this new net metering program over three years ago. But it was delayed. As we signed our contract in April of 2007 it appears to me that at the time we signed TEP should have been well aware that TEP and we were signing a contract that they had no intention of honoring. It appears to me that TEP had us sign a fraudulent

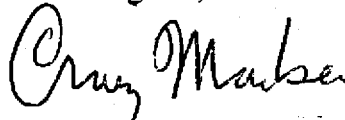
contract. Having said that if this action was mandated by the ACC it could be that the ACC could be responsible for TEP to be in breach of its signed contract.

I am hoping that you can help me and other TEP customers who are affected by this change in TEP's net metering.

I am enclosing a copy of a letter that I sent to Ms Darlene Smith of TEP prior to my receiving our January bill where the monthly minimum charges were already deducted from our credit. I am also sending a letter to Mr. Jorge Garcia our district state senator and a candidate for the ACC.

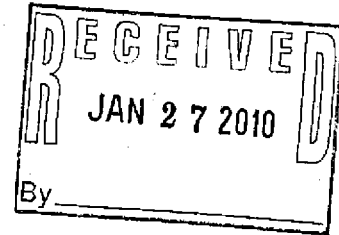
As this net metering program may affect many TEP customers with the same contract your attention to this situation is greatly appreciated.

Kind Regards,

A handwritten signature in black ink that reads "Craig Marken". The signature is written in a cursive, flowing style.

Craig Marken

1926 N. Old Ranch Road  
Tucson AZ  
85745-1834



Tel: (520) 207-1071

5 January 2010

Denise Richerson-Smith  
Director – Energy Efficiency and Renewable Programs  
Tucson Electric Power Company  
P.O. Box 711  
Tucson, AZ 85702-0711

**Re: New Net Metering Program**

Dear Ms Richerson-Smith:

In accordance to the GreenWatts SunShare Program contract, Section 11.10 that I signed on April 23, 2007 and that Mr. Thomas Hansen signed on May 9, 2007, I am sending you this letter certified or registered mail with return receipt requested. This letter is in response to a letter sent to me on December 21, 2009, which was *not* sent by certified or registered mail with return receipt requested. That letter, which was not signed or credited to any individual taking responsibility at Tucson Electric Power Company, itself seems at best did not follow the terms of the above mentioned contract as it was sent by regular mail.

It appears that the changes in the net metering program, which I understand through a telephone conversation with Blanka Anderson on January 5, 2010, was mandated by the Arizona Corporation Commission, has the potential of violating the above mentioned contract. Although I will be given credit for excess electricity, both presently accumulated and thereafter accumulated annually, if and when this excess credit is exhausted sometime in the future I will be billed for the cost of the electricity. As I understand that I am being credited at a rate of \$0.0232 and will billed at \$0.072 (today's rates) this credit will be at one-third the rate of billing.

However, Section 4 of the above mentioned contract states in part: "Customer hereby assigns to Company all of its rights to all electrical output of the Customer System and all associate environmental credits, specifically including those created under the Arizona Corporation Commission's Environmental Portfolio Standard Program (the "EPS"), which may result from the installation and use of the Customer System. Company will *thereafter* return *any and all* such electric output to the Customer at *no cost* to Customer." (Emphases in italics are mine)

In other words the above mentioned Section 4 states that I will not be passed on any cost for any electricity until and at the point that my total consumption exceeds my total production. If and when this point is reached I have agreed through this contract that I will be accept that cost. Until that point is reached any attempt to credit me for

excess production at a rate of one-third of the consumption costs will violate Section 4 of this contract.

In the telephone call with Blanka Anderson it seems at best that the Arizona Corporation Commission is mandating that Tucson Electric Power Company violates its own contract. I recommend that you look into the legality of the Arizona Corporation Commission's actions or your own reaction to this mandate. I would also like to know how your new net metering program does not violate the above contract signed in good faith by both parties. I do appreciate that the net metering program is not mentioned in the contract.

Your attention to this matter is greatly appreciated.

Kind Regards,

Craig Marken